

2028

BEAUREGARD PARISH LIBRARY  
DERIDDER, LOUISIANA  
FINANCIAL STATEMENTS  
December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 28 2012

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INDEPENDENT AUDITOR'S REPORT

Beauregard Parish Library

Deridder, Louisiana

I have audited the accompanying financial statements of the governmental activities and the major fund of the Beauregard Parish Library, (the Library) a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's financial statements, as listed in the table of contents. These financial statements are the responsibility of the Beauregard Parish Library's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Beauregard Parish Library as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2011 on my consideration of the Beauregard Parish Library's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

Management has not presented management's discussion and analysis and the budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial information. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Elliott & Assoc "APAC"*

Leesville, Louisiana

December 22, 2011

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

BEAUREGARD PARISH LIBRARY

DERIDDER, LOUISIANA

Statement of Net Assets

December 31, 2010

Governmental

Activities

ASSETS

Cash and equivalents (Note 2)	\$1,362,554
Ad valorem taxes receivable (Note 3)	1,449,240
State revenue sharing receivable	37,260
Capital assets, net (Note 4)	<u>1,334,707</u>
Total assets	<u>\$4,183,761</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 3,365
Ad valorem deductions payable	50,186
Compensated absences payable	<u>25,379</u>
Total liabilities	<u>78,930</u>

NET ASSETS

Invested in capital assets	1,334,707
Unrestricted	<u>2,770,124</u>
Total net assets	<u>\$ 4,104,831</u>

The accompanying notes are an integral part of the basic financial statements.

**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2010**

General revenues:	
Taxes:	
Property taxes collected	
for general purposes	\$1,361,173
State revenue sharing	55,582
Interest and investment	
earnings	12,009
Miscellaneous	<u>14,909</u>
Total general revenues	<u>\$1,443,673</u>
Change in net assets	(127,294)
Net assets, beginning	<u>4,232,125</u>
Net assets, ending	<u>4,104,831</u>

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**FUND FINANCIAL STATEMENTS (FFS)**

BEAUREGARD PARISH LIBRARY

DERIDDER, LOUISIANA

Balance Sheet - Governmental Fund

December 31, 2010

	General
	<u>Fund</u>
ASSETS	
Cash and cash equivalents (Note 2)	\$1,362,554
Ad valorem taxes receivable	1,449,240
State revenue sharing receivable	<u>37,260</u>
Total assets	<u>\$2,849,054</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	3,365
Ad valorem deductions payable	50,186
Compensated absences payable	<u>25,379</u>
Total liabilities	<u>78,930</u>
FUND BALANCE	
Unassigned	<u>2,770,124</u>
Total liabilities and fund balance	<u>\$2,849,054</u>

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY

DERIDDER, LOUISIANA

Reconciliation of the governmental fund balance sheet

To the Statement of net assets

December 31, 2010

Total fund balances for the governmental fund

at December 31, 2010

2,770,124

Total net assets reported for governmental activities

in the statement of

net assets is different because:

Capital assets used in governmental activities

are not financial

resources and, therefore, are not reported

in the funds. Those assets

consist of:

Land

\$128,500

Building and improvements, net of \$834,195

accumulated depreciation

759,567

Books and periodicals, net of \$617,056

accumulated depreciation

341,139

Furniture and equipment, net of \$384,019

accumulated depreciation

105,501

Total net assets of governmental activities

at December 31, 2010

\$4,104,831

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY

DERIDDER, LOUISIANA

Statement of Revenues, Expenditures, and Changes in

Fund Balance-Governmental Fund

For the year ended December 31, 2010

	General
	<u>Fund</u>
Revenues:	
Taxes - ad valorem	1,361,173
Intergovernmental	69,238
Charges for services	22,820
Interest income	12,009
Miscellaneous	<u>14,909</u>
Total revenues	<u>1,480,149</u>
Expenditures:	
Culture and recreation	1,358,388
Capital outlay	<u>42,486</u>
Total expenditures	<u>1,400,874</u>
Excess of revenues over expenditures	79,275
Fund balance, beginning	<u>2,690,849</u>
Fund balance, ending	<u>2,770,124</u>

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY

DERIDDER, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of the Governmental Fund to the  
Statement of Activities  
For the year ended December 31, 2010

Total net changes in fund balances at December 31, 2010 per Statement of Revenues, Expenditures, and Changes in Fund Balances	\$79,275
The change in net assets reported for governmental activities in the statement of activities is different because:	
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balances	42,486
Less: Depreciation expense for the year ended December 31, 2010	<u>(249,055)</u>
Total changes in net assets at December 31, 2010 per Statement of Activities	<u><u>\$(127,294)</u></u>

The accompanying notes are an integral part of the basic financial  
statements.

## BEAUREGARD PARISH LIBRARY

### NOTES TO FINANCIAL STATEMENTS (continued)

#### Note 1. Summary of Significant Accounting Policies

The financial statements of the BEAUREGARD PARISH LIBRARY (the "Library") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Library's accounting policies are described below.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, *Audits of State and Local Governments*, issued by the American Institute of Certified Public Accountants and the *Louisiana Governmental Audit Guide*.

#### Reporting entity:

The Beauregard Parish Library is a component unit of the Beauregard Parish Police Jury and was created under Louisiana Revised Statute 25:211. The Library operates under a Board of Control. Although the Parish does not provide financing, it does exercise some control over operations by virtue of the fact that it appoints the Board of Control. The purpose of the Library is to provide library facilities to residents within its boundaries.

This report includes the funds, which are controlled by or dependent on the Library executive and legislative branches (the Board of Control). Control by or dependence on the Library was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

#### Basis of presentation:

The Library's basic financial statements consist of the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Government-wide financial statements -

The government-wide financial statements include the statement of net assets and the statement of activities of the Library. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in two parts - invested in capital assets net of related debt and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the Library's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Library had no capital grants for the year ended December 31, 2010.

The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.)

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net assets resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds. The Library has only one fund, its General Fund. The General Fund is the Library's general operating fund. It is used to account for all the financial resources of the Library except those required to be accounted for in another fund.

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Basis of accounting:

Government-wide financial statements -

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Library gives (or receives) value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes as "available" in the year following the assessment, when the majority of the taxes are collected. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and investments:

Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.



BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Cash includes amounts in demand deposit accounts while investments include certificates of deposits. These certificates are not subject GASB No.31 requirements; thus, they are stated at cost.

Custodial credit risk:

Deposits (demand and certificates) -

The Library is exposed to custodial credit risk as it relates to its deposits with financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's policy is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Library's name. Accordingly, the Library had no custodial credit risk related to its deposits at December 31, 2010.

Capital assets:

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements -

In the government-wide financial statements, property, plant and equipment are capitalized and reported as assets. All capital assets are valued at cost or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Building and improvements	40 years
Furniture, fixtures, and equipment	5 - 10 years
Books and periodicals	5 years

# BEAUREGARD PARISH LIBRARY

## NOTES TO FINANCIAL STATEMENTS (continued)

### Fund financial statements -

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### Compensated absences:

Each full time employee earns eight (8) hours of sick leave per month, which can be accumulated up to sixty days. Employees who resign, retire or are dismissed shall not be paid for any accrued sick leave.

Vacation leave is earned as follows for each full time employee:

Leave is based on the number of hours in the employee's regularly scheduled work week. The following rate is multiplied by the total work hours in the employee's work year to arrive at the hours of leave.

	Non-Professional	Para-Professional	Professional
Length	Staff Rate	Staff Rate	Staff Rate
<u>of Employment</u>	<u>Per Hour Worked</u>	<u>Per Hour Worked</u>	<u>Per Hour Worked</u>
Hire through 1 year	.038462	.057693	.076924
1 year - 9 years	.038462	.057693	.076924
10 years - 19 years	.057693	.076924	.096154
20 years and over	.076924	.096154	.115385

### Additional Information

Professional - Employee has Master's in Library Science from ALA accredited institution or equivalent and is working in a position which requires that degree

Para-Professional - Employee has degree from accredited institution or equivalent and is working in a position which requires that degree

## BEAUREGARD PARISH LIBRARY

### NOTES TO FINANCIAL STATEMENTS (continued)

#### Non-Professional - all other employees

.038462 = 2 weeks annual for a full time employee

.057693 = 3 weeks annual for a full time employee

.076924 = 4 weeks annual for a full time employee

.096154 = 5 weeks annual for a full time employee

.115385 = 6 weeks annual for a full time employee

#### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

#### Budgetary Practices

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library's Director prepares a proposed budget and presents it to the Board of Control prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Board of Control, the Board publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Board on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Equity classifications:

Fund financial statements -

Beginning with fiscal year 2010, the Library implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), though constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Library itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Library takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Library intends to use for a specific purpose. Intent is expressed by the Library.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Government-wide statements -

In the government-wide financial statements equity is reported as net assets. It is reported under three classifications: invested in capital assets, restricted and unrestricted. The Library had no restricted net assets at year-end.

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

Under state law, the Library may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2010, the Library has cash and cash equivalents (book balances) totaling \$ 1,362,554:

Demand deposits	\$ ---
Interest-bearing demand accounts/CDs	<u>1,334,706</u>
Total	<u>\$ 1,334,706</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2010, are secured as follows:

Bank balances	<u>\$ 1,405,668</u>
Federal deposit insurance	500,000
Pledged securities (uncollateralized)	<u>905,668</u>
Total	<u>\$ 1,405,668</u>

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Tax revenues are recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Library of Beauregard Parish and are collected by the Sheriff. The taxes are remitted to the Beauregard Parish Library net of deductions for Pension Fund Contributions.

For the year ended December 31, 2010, taxes of 7.44 mills were levied on property with net assessed valuations totaling \$194,286,918 and were dedicated to paying the administrative, operations, and maintenance expenditures for the Library.

Total taxes levied during 2010 were \$1,615,461 and total taxes collected for 2010 were \$1,403,657.

BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2010 is as follows:

	Balance 1/1/10	Additions	Deletions	Balance 12/31/10
Capital assets not being depreciated:				
Land	128,500	---	---	128,500
Other capital assets:				
Building/Improv.	1,676,263	---	---	1,676,263
Furniture/Equipment	508,886	42,486	---	551,372
Books/Periodicals	<u>1,062,897</u>	---	---	<u>1,062,897</u>
Total	<u>3,376,546</u>	<u>42,486</u>	---	<u>3,419,032</u>
Less accumulated depreciation:				
Building/Improv.	834,195	82,501	---	916,696
Furniture/Equipment	384,019	61,852	---	445,871
Books/Periodicals	<u>617,056</u>	<u>104,702</u>	---	<u>721,758</u>
Total	<u>1,835,270</u>	<u>249,055</u>	---	<u>2,084,325</u>
Net capital assets	<u>1,541,276</u>	<u>(206,569)</u>	---	<u>1,334,707</u>

Depreciation expense was charged to functions as follows:

General government	<u>249,055</u>
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NOTE 5. PENSION PLAN

Plan Description:

Substantially, all employees of the Library's office are members of the Louisiana Library's Retirement Fund ("System"), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees.

## BEAUREGARD PARISH LIBRARY

### NOTES TO FINANCIAL STATEMENTS (continued)

All nontemporary/non-probationary employees who are regularly scheduled to work 28 or more hours per week who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System, Plan A. Employees who retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

#### Funding Policy:

Plan members are required by state statute to contribute between 8% and 11% of their annual covered salary. Currently the Plan A employee rate is 9.5%. The Library is required to contribute at an actuarially determined rate, which is determined every fiscal year according to statutory process. Contributions to the System include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The rate for 2010 was 15.75% of annual covered payroll. The Library's contributions to the System for the years ending December 31, 2010, 2009, and 2008 were \$88,149, 80,186, and 72,414, respectively, equal to the required contributions for each year.



BEAUREGARD PARISH LIBRARY

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6. DEFERRED COMPENSATION PLAN

Certain employees of the Beauregard Parish Library participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Library makes matching contributions equal to the amount deferred by each employee, but not in excess of 5% of an employee's salary to the plan. For the year ended December 31, 2010, the Library contributed \$88,149 on behalf of its employees to the plan.

Note 7 - Board of Control

Non-commissioned members of the Beauregard Parish Library Board of Control at December 31, 2010 are as follows:

Mrs. Delores Franks  
Mrs. Willie M. Malone  
Mrs. Merle Stout  
Mrs. Linda Willis  
Mr. Scotty Jacobson  
Mrs. Patricia Andrews  
Mrs. Beth Kilman  
Mr. S.E. "Teddy" Welch

Board members serve with no compensation.

NOTE 8. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library purchases commercial insurance to cover any claims related to these risks.

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**ELLIOTT & ASSOCIATES, INC.**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL**

**REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED**

**IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**BEAUREGARD PARISH LIBRARY**

I have audited the financial statements of the governmental activities and the major fund of Beauregard Parish Library, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements, and have issued my report thereon dated December 22, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Beauregard Parish Library's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Library's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that I consider to be significant deficiencies in internal control over financial reporting, for example, 10-1(IC) and 10-2(IC). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beauregard Parish Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 10-1 (C) that is required to be reported under *Government Auditing Standards*.

The Library's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Library's response, and accordingly, I express no opinion on it.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc. "APAE"*  
Leesville, Louisiana

December 22, 2011

BEAUREGARD PARISH LIBRARY

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year ended December 31, 2010

Fiscal Year	Finding	Corrective	Name of
Initially	Action	Contact	
Ref.No.	Occurred	Description of finding	Taken Corrective Action Planned Person Date
CURRENT YEAR (12/31/10)-			
<u>Internal Control:</u>			
10-1(IC)	Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	N/A No response is considered necessary. Janet Reichley, Acct. Spec. N/A
10-2(IC)	2010	The Library does not have a staff person who has the	No The Library has evaluated the cost vs. benefit of Janet Reichley, Acct. Spec. N/A

BEAUREGARD PARISH LIBRARY

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year ended December 31, 2010

qualifications and training  
to apply generally accepted  
accounting principles (GAAP)  
in recording the entity's  
financial transactions  
or preparing its financial  
statements, including  
the related notes.

establishing internal  
controls over the  
preparation of financial  
statements in accordance  
with GAAP, and determined  
that it is in the best  
interests of the Library  
to outsource this task  
to its independent auditors,  
and to carefully review the  
draft financial statements  
and notes prior to approving  
them and accepting  
responsibility for their contents and  
presentation. (Continued)

Fiscal Year

Finding	Corrective	Name of
Initially	Action	Contact
<u>Ref.No.</u>	<u>Occurred</u>	<u>Description of finding</u>
	<u>Taken</u>	<u>Corrective Action Planned</u>
		<u>Person</u>
		<u>Date</u>

PRIOR YEAR (12/31/09)-

Internal Control:

09-1(IC)	Unknown	Due to the small number of employees, the Library did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Janet Reichley, Acct. Spec.	N/A
09-2(IC)	2009	The Library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions	No	The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined	Janet Reichley, Acct. Spec.	N/A

BEAUREGARD PARISH LIBRARY

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year ended December 31, 2010

or preparing its financial  
statements, including  
the related notes.

that it is in the best  
interests of the Library  
to outsource this task  
to its independent auditors,  
and to carefully review the  
draft financial statements  
and notes prior to approving  
them and accepting  
responsibility for their contents and  
presentation. (Continued)



BEAUREGARD PARISH LIBRARY

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)

Year ended December 31, 2010

Compliance:

2010.1 Finding: This audit is not being issued within the six months of the close of its December 31, 2010 fiscal year-end. This is a violation of LSA R.S. #24:513 (A) (5).

Management response:

The Library's Financial statement issuance was delayed due to the auditor's illness and hospitalization in August and September 2011.

PRIOR YEAR (12/31/09)-

2009.1 Finding: This audit is not being issued within the six months of the close of its December 31, 2009 fiscal year-end. This is a violation of LSA R.S. #24:513 (A) (5).

Management response:

The Library's Financial statement issuance was delayed due to the auditor's implementation of pre-issuance review process and quality control enhancement.